

Char-Laine Manor, Inc.

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Appropriations Committee

March 4, 2011

RE: H.B. No. 6380 AN ACT CONCERNING THE BUDGET FOR THE BIENNIUM ENDING JUNE 30, 2013

Dear Senator Harp and Representative Walker and Members of the Appropriations Committee

My name is Russell Dence and my wife Cheryl and I own and operate Char-Laine Manor in the Rockville section of Vernon. Char-Laine Manor is a 23 bed Residential Care Home.

I oppose the Governor's freeze on rates for residential care homes due to the fact that as smaller facilities we do not have the financial depth it requires to maintain rising costs with frozen rates. This freeze was applied two years ago and we felt it would be tough but we would do our share. I have trimmed expenses, reduced benefits for our employees and have not given raises in the past two years. Now we are being asked to do it again.

The homes in Connecticut that participate in the State Supplement (Aid to Aged, Blind and Disabled) reimbursement program are actually operating on costs based on the October 2008 – September 2009 cost year. We are looking at maintaining our homes, providing the best care possible to Connecticut's most in need population, the elderly and disabled. We are having to buy gasoline currently at \$4.00 per gallon and according to experts could be as high as \$6.00 per gallon in two years and being reimbursed at a rate of \$1.88 what I paid in the fall of 2008. The same for fuel oil, insurances, cleaning supplies, food and utilities.

May I suggest if you do extend our cap on rate increases for the next two years that you also cap our providers of services such as the insurance industry, utility companies, oil companies and food suppliers. At least keep the playing field even. Or, rather than our actual rate reflected in our cost report a modest percentage increase that would allow us to compensate our dedicated staff members. The state could also save money by waiving our expense and the states for submitting our annual cost report and audits for this period. After all, if our rate isn't increasing why would we still incur the cost required to do just that?

I realize it isn't easy trimming the state budget and I do not envy your dilemma. At the same time I'm sure you cannot envy mine either.

Respectfully Submitted,



Russell Dence
Char-Laine Manor